Meeting of Indian Businessmen and western investors

947. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank organised a meeting of Indian businessmen and some prominent Western Investors under the aegis of the India Development Fund;

(b) if so, the main points discussed at the meeting; and

(c) the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) Yes, Sir. The India Development Fund provided a platform for the Government and a senior delegation of Indian Industry and banking to meet with over 100 senior officials of investment banks, emerging market funds and multinational corporations with strong interest in India's development. The deliberations of the meeting showed that private sector investors, domestic and foreign, are fully supportive of the course of policies charted by the Government three years ago. Domestic and foreign investors alike commended the Government for the skill with which it had engineered a major transformation of policies and opened the economy to private investment. They also expressed confidence in the Government's ability to carry the process forward.

Selling of Gold to NRIs by S BI

948. SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of India has prepared a scheme to sell gold to the NRIs; and

(b) if so, the deta i s l e f

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) Under the scheme State Bank of India would import gold for the purpose of suply in India to NRIs eligible under the Gold Import Scheme. The gold imported for the purpose would be kept in bond and supplied to NRIs at designated outlets. The eligibility of NRIs to import gold will be determineded by Customs at the time of customs of clearance. NRIs will have the facility of making the payment for gold purchase either abroad or in India. Duty in convertible currency will lbe payable at the customs clearance stage. Besides State Bank of India, the facility would be operated through Minerals and Metals Trading Corporation (MMTC) also. The scheme has since been operationalised.

Conversion of Indian Rupee

949. SHRI V. RAJAN CHELLAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to make rupee fully convertible in the near future; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) The Rupee has been made convertible on the current account as a result of the process of sequential relaxation of restrictions on trade and payments culminating on August 20, 1994 with the voluntary assumption by India of obligations under Article VIII of the International Monetary Fund. The institution of full convertibility on the current account as well as the capital account of the balance of payments, is a subsequent stage of the process of liberalisation. A strong macro-economic position and demonstrated balance of payments strength over a period of time is an essential precondition before a move to full convertibility can be considered.